
**AMALFI INVESTMENT PARTNERS LIMITED
(FORMERLY PRESTBURY INVESTMENT PARTNERS LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 FEBRUARY 2022

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AMALFI INVESTMENT PARTNERS LIMITED

COMPANY INFORMATION

Directors

P M Brown (resigned 11 July 2022)
T J Evans (resigned 11 July 2022)
S L Gumm (resigned 11 July 2022)
N M Leslau (resigned 11 July 2022)
B Walford (resigned 11 July 2022)
S Lee (appointed 11 July 2022)
F J Brooks (appointed 11 July 2022)

Registered number 12277950

Registered office 10 Old Burlington Street
London
W1S 3AG

Independent auditor BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

AMALFI INVESTMENT PARTNERS LIMITED

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AMALFI INVESTMENT PARTNERS LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2022

Introduction

The directors present the strategic report relating to the 11 month period from 1 April 2021 to 28 February 2022. Comparative figures relate to the 17 month period from incorporation on 23 October 2019 to 31 March 2021.

Business review

During the period, the principal activity of Amalfi Investment Partners Limited ("the Company") was the provision of investment advisory services to a listed company from which the Company earned advisory fees totalling £11.7 million. The Company could also earn incentive fees and held 1.2 million shares in that listed company which were received in the prior period in settlement of such a fee, but no incentive fee was receivable in the period.

During the period, Prestbury Investment Holdings Limited ("PIHL", a related party as explained in note 17) acted as service provider to the Company under the terms of a service agreement, providing financial administration, property management and other management services at a cost of £1.8 million charged to administrative expenses. Together with the Company's direct administrative expenses and provisions totalling £0.4 million, dividend income of £0.1 million, a revaluation gain of £0.6 million from the listed shares, and a tax charge of £1.9 million (note 8), this resulted in a profit after tax for the period of £8.3 million.

Interim dividends of £6.3 million were paid to shareholders in cash during the period with further interim dividends of £9.9 million paid in cash since the balance sheet date.


On 6 July 2022, the Company was purchased by a third party. Both the investment advisory agreement (which represented the Company's major source of income) and the services agreement (which represented the majority of the Company's administrative expenses) were terminated, and the existing directors resigned, being replaced by directors appointed by the new owners. The Company's investment in listed shares was sold at the same time, realising a gain after tax over book value of £0.9 million. The Company and PIHL are contractually obliged to provide transitional services to the new owners until 7 October 2022, following which the Company will become dormant.

Principal risks and uncertainties

During the period, the majority of the Company's income comprised the advisory fee and its principal asset was its investment in listed company shares. The principal risks to the Company were therefore those that would affect the ability of the counterparty to continue to meet its advisory fee obligations and those that would affect the carrying value of the investment in shares.

Following the termination of the advisory agreement and sale of the shares on 6 July 2022, the Company will become dormant from 7 October 2022 and these risks will cease to apply to the Company.

This report was approved by the board on 7 October and signed on its behalf.

DocuSigned by:

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F J Brooks
Director

AMALFI INVESTMENT PARTNERS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2022

The directors present their report and the financial statements for the 11 month period ended 28 February 2022. Comparative figures relate to the 17 month period from incorporation on 23 October 2019 to 31 March 2021.

Change of name

On 11 July 2022, the Company changed its name from Prestbury Investment Partners Limited to Amalfi Investment Partners Limited.

Results and dividends

The profit for the period after tax amounted to £8.3 million (2021 - £14.4 million).

Interim dividends totalling £6.3 million (2021 - £9.2 million) were paid in the period. The directors do not recommend payment of a final dividend.

Directors

The directors who served during the period and to 11 July 2022 were:

P M Brown
T J Evans
S L Gumm
N M Leslau
B Walford

The directors appointed on 11 July 2022 and who continue to serve as at the date of this report are:

S Lee
F J Brooks

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

Since the balance sheet date, the Company has paid interim dividends totalling £9.9 million.

On 6 July 2022, the Company was purchased by a third party. Both the investment advisory agreement (which represented the Company's major source of income) and the services agreement (which represented the majority of the Company's administrative expenses) were terminated, and the existing directors resigned, being replaced by directors appointed by the new owners. The Company's investment in listed shares was sold at the same time, realising a gain over book value, net of deferred tax, of £0.9 million, and the Company subsequently became dormant. The Company and its service provider are contractually obliged to provide transitional services to the new owners until 7 October 2022, following which the Company will become dormant.

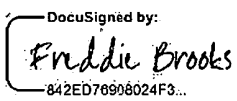
AMALFI INVESTMENT PARTNERS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

Auditor

Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 7 October 2022 and signed on its behalf.

DocuSigned by:

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F J Brooks
Director

AMALFI INVESTMENT PARTNERS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 28 FEBRUARY 2022

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AMALFI INVESTMENT PARTNERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMALFI INVESTMENT PARTNERS LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Amalfi Investment Partners Limited ("the Company") for the 11 month period ended 28 February 2022 which comprise the profit and loss account, balance sheet, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

AMALFI INVESTMENT PARTNERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMALFI INVESTMENT PARTNERS LIMITED

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AMALFI INVESTMENT PARTNERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMALFI INVESTMENT PARTNERS LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud.
- We considered the Company's compliance with laws and regulations that have a significant impact on the financial statements including, but not limited to, relevant accounting standards, UK company law and UK tax legislation and we considered the extent to which non-compliance might have a material effect on the Company's financial statements.
- We designed audit procedures to identify instances of non-compliance with such laws and regulations. Our procedures included reviewing the financial statement disclosures against the requirements of the accounting standards and company law and agreeing those disclosures to underlying supporting documentation where necessary. We reviewed minutes of all board meetings held during and subsequent to the period for indicators of non-compliance and we made enquiries of management and of the directors as to the risks of non-compliance and any instances thereof.
- We addressed the risk of management override of internal controls, including testing a sample of journal entries based on risk criteria processed during the period and evaluating whether there was any evidence of bias in these entries or in other accounting estimates that represented a risk of material misstatement due to fraud.
- We designed audit procedures that specifically address the fraud risk due to improper revenue recognition. Through our tailored procedures, we were able to mitigate the fraud risk by focusing on where management may feel pressure to achieve expected results.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

AMALFI INVESTMENT PARTNERS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMALFI INVESTMENT PARTNERS
LIMITED**

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Christopher Wingrave
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Christopher Wingrave (Senior Statutory Auditor)

for and on behalf of

BDO LLP

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

Date: 12 October 2022

AMALFI INVESTMENT PARTNERS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

	Note	11 months ended 28 February 2022 £000	17 months ended 31 March 2021 £000
Turnover	4	11,706	21,314
Gross profit		11,706	21,314
Administrative expenses		(2,059)	(2,920)
Fair value movements in fixed asset investments	9	583	1,280
Movement in other provision	14	(83)	-
Operating profit		10,147	19,674
Income from other fixed asset investments		137	179
Impairment of financial asset	7	-	(2,090)
Interest receivable and similar income		-	1
Profit before tax		10,284	17,764
Tax on profit	8	(1,962)	(3,376)
Profit and total comprehensive income for the financial period		8,322	14,388


The notes on pages 13 to 23 form part of these financial statements.

AMALFI INVESTMENT PARTNERS LIMITED
REGISTERED NUMBER:12277950

BALANCE SHEET
AS AT 28 FEBRUARY 2022

	Note	28 February 2022 £000	31 March 2021 £000
Fixed assets			
Investments	9	4,497	3,914
		<u>4,497</u>	<u>3,914</u>
Current assets			
Debtors: amounts falling due within one year	10	2,611	71
Cash at bank and in hand		1,308	2,338
		<u>3,919</u>	<u>2,409</u>
Creditors: amounts falling due within one year	11	(1,479)	(1,646)
Net current assets		<u>2,440</u>	<u>763</u>
Total assets less current liabilities		<u>6,937</u>	<u>4,677</u>
Provisions for liabilities			
Deferred tax	13	(354)	(243)
Other provision	14	(83)	-
		<u>(437)</u>	<u>(243)</u>
Net assets		<u><u>6,500</u></u>	<u><u>4,434</u></u>
Capital and reserves			
Called up share capital	15	-	-
Share premium account	16	66	66
Capital redemption reserve	16	-	-
Profit and loss account	16	6,434	4,368
		<u>6,500</u>	<u>4,434</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 October 2022.

DocuSigned by:

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F J Brooks
Director

The notes on pages 13 to 23 form part of these financial statements.

AMALFI INVESTMENT PARTNERS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 April 2021	-	66	4,368	4,434
Comprehensive income for the period				
Profit for the period	-	-	8,322	8,322
Contributions by and distributions to owners				
Dividends paid	-	-	(6,256)	(6,256)
At 28 February 2022	<u>-</u>	<u>66</u>	<u>6,434</u>	<u>6,500</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2021**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Comprehensive income for the period				
Profit for the period	-	-	14,388	14,388
Contributions by and distributions to owners				
Shares issued during the period	-	66	-	66
Dividends paid	-	-	(9,161)	(9,161)
Purchase of own shares	-	-	(859)	(859)
At 31 March 2021	<u>-</u>	<u>66</u>	<u>4,368</u>	<u>4,434</u>

The notes on pages 13 to 23 form part of these financial statements.

AMALFI INVESTMENT PARTNERS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

	11 months ended 28 February 2022 £000	<i>17 months ended 31 March 2021 £000</i>
Cash flows from operating activities		
Profit for the financial period	8,322	14,388
Adjustments for:		
Increase in debtors	(2,540)	(27)
Tax charge (note 8)	1,962	3,376
Corporation tax paid	(1,864)	(2,166)
Fair vale movements in fixed asset investments (note 9)	(583)	(1,280)
(Decrease)/increase in creditors	(154)	235
Dividends and interest receivable	(137)	(180)
Increase in provisions (note 14)	83	-
Incentive fee received in shares	-	(2,634)
Net cash generated from operating activities	5,089	11,712
Cash flows from investing activities		
Dividends received	137	179
Net cash acquired on purchase of business	-	458
Interest received	-	1
Net cash from investing activities	137	638
Cash flows from financing activities		
Dividends paid	(6,256)	(9,161)
Repurchase of ordinary shares	-	(859)
Cash received on issue of ordinary shares	-	8
Net cash used in financing activities	(6,256)	(10,012)
Net (decrease)/increase in cash and cash equivalents	(1,030)	2,338
Cash and cash equivalents at beginning of period	2,338	-
Cash and cash equivalents at the end of period	1,308	2,338
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	1,308	2,338

The notes on pages 13 to 23 form part of these financial statements.

AMALFI INVESTMENT PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2022

1. General information

The Company is a private company limited by shares, incorporated in England, and the registered office is 10 Old Burlington Street, London, W1S 3AG. The nature of the Company's principal activities is set out in the strategic report and the directors' report.

The financial statements are presented in Pounds Sterling, which is the functional currency of the Company, rounded to the nearest thousand, and relate to the 11 month period from 1 April 2021 to 28 February 2022. Comparative figures relate to the 17 month period from incorporation on 23 October 2019 to 31 March 2021.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

2.2 Going concern

The directors consider that the Company will be able to meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date on which these financial statements are approved. Accordingly, these financial statements have been prepared on a going concern basis.

2.3 Turnover

Turnover comprises revenue from advisory fees and incentive fees that may be received and which are measured at the fair value of the consideration receivable. Revenue is recognised by reference to the stage of completion of those services at the balance sheet date, when:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the services will flow to the Company;
- the stage of completion of the services at the balance sheet date can be measured reliably; and
- the costs incurred in delivering the services can be measured reliably.

2.4 Current and deferred tax

The tax expense for the period comprises current and deferred tax and is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, except that the recognition of a deferred tax asset is limited to the extent it is probable that it will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax balances are not recognised in respect of permanent differences and are not discounted.

AMALFI INVESTMENT PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2022

2. Accounting policies (continued)

2.5 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to fair value at each balance sheet date. Gains and losses on remeasurement are recognised in the profit or loss for the period.

2.6 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.7 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Financial liabilities

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations rather than the financial instrument's legal form. Financial liabilities, which comprise trade creditors and accruals, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

2.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation, it is probable that settlement will be by way of a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the period that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

AMALFI INVESTMENT PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Accounting policies which have a significant bearing on the reported financial condition and results of the Company may require subjective or complex judgements. The principal area of judgement is the fair value of the Company's investment in listed shares. This valuation requires the directors to estimate the effect on the share price of the discount that would be required in order to sell the shares, given that the investment represents a material management holding (see note 9). In determining that discount, the directors have taken external advice from Stifel Nicolaus Europe Limited, the nominated adviser and broker to the investee company, and adopted a valuation that reflects that advice.

4. Turnover

All turnover arose within the United Kingdom.

5. Auditor's remuneration

	11 months ended 28 February 2022 £000	17 months ended 31 March 2021 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	17	16

AMALFI INVESTMENT PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2022

6. Employees

Staff costs, all of which comprised directors' remuneration, were as follows:

	11 months ended 28 February 2022 £000	17 months ended 31 March 2021 £000
Directors' emoluments	115	222
Social security costs	10	17
	125	239

The average monthly number of employees during the period was five (2021 - six), all of whom were the directors and who are also considered to be the key management personnel of the Company.

All directors received the same remuneration which was £23,000 (2021 - £45,000) each for the period.

7. Impairment of financial asset

Additions to fixed asset investments in the prior period represented shares received in March 2020 in settlement of an incentive fee entitlement earned in respect of the year ended 31 December 2019 and recognised in the financial statements at that date. The receivable was impaired by £2.1 million to reflect the movement in the fair value of the shares between the date on which the receivable was recognised and the date on which it was settled.

AMALFI INVESTMENT PARTNERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

8. Tax

	11 months ended 28 February 2022 £000	17 months ended 31 March 2021 £000
Corporation tax		
Current tax on profit for the period	1,850	3,133
Adjustments in respect of previous period	1	-
Total current tax	1,851	3,133
Deferred tax		
Revaluation of fixed asset investments	111	243
Total deferred tax	111	243
Tax on profit on ordinary activities	1,962	3,376

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%):

	11 months ended 28 February 2022 £000	17 months ended 31 March 2021 £000
Profit on ordinary activities before tax	10,284	17,764
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,954	3,376
Tax treatment of movement in other provision	7	-
Adjustment in respect of previous period	1	-
Total tax charge for the period	1,962	3,376

Factors that may affect future tax charges

With effect from 6 April 2023, the UK corporation tax rate will increase from 19% to 25% which will increase the level of tax charge on any net taxable profits earned after that date.

AMALFI INVESTMENT PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2022

9. Fixed asset investments

	Listed investment £000
Valuation	
At 1 April 2021	3,914
Revaluations	583
At 28 February 2022	<u>4,497</u>

Listed investment

As at the balance sheet date, the Company held a 0.4% (2021 - 0.4%) interest in a UK REIT listed on AIM. This is held at a fair value reflecting a discount of 8% (2021 - 8%) to the share price at that date because it represents, along with certain related party holdings, a material management holding in that company (see note 3). The aggregate market value of listed investments as at the balance sheet date excluding that discount was £4.9 million (2021 - £4.3 million).

The shares were earned in settlement of incentive fees receivable under arrangements that restrict sales of the shares on a phased basis between 18 to 42 months from the end of the accounting period in which they were earned. At the balance sheet date, shares with a carrying value of £3.0 million (2021 - £3.9 million) were subject to these restrictions. Since the balance sheet date, £1.5 million of the shares became unrestricted on 30 June 2022 and, as described in note 18, the entire holding was sold in July 2022.

As at the balance sheet date, the historic cost of the shares was £2.6 million (2021 - £2.6 million).

AMALFI INVESTMENT PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2022

9. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company as at 28 February 2022:

Name	Class of shares	Holding
SIR Trustee 1 Limited	Ordinary	100%
SIR Trustee 2 Limited	Ordinary	100%
SIR Trustee 3 Limited	Ordinary	100%
SIR Trustee 4 Limited	Ordinary	100%
SIR Trustee 5 Limited	Ordinary	100%
SIR Trustee 6 Limited	Ordinary	100%
SIR Trustee 7 Limited	Ordinary	100%
SIR Trustee 8 Limited	Ordinary	100%
SIR Trustee 9 Limited	Ordinary	100%
SIR Trustee 10 Limited	Ordinary	100%
SIR Trustee 11 Limited	Ordinary	100%
SIR Trustee 12 Limited	Ordinary	100%
SIR Trustee 13 Limited	Ordinary	100%
SIR Trustee 14 Limited	Ordinary	100%
SIR Trustee 15 Limited	Ordinary	100%
SIR Trustee 16 Limited	Ordinary	100%
SIR Trustee 17 Limited	Ordinary	100%
SIR Trustee 18 Limited	Ordinary	100%
SIR Trustee 19 Limited	Ordinary	100%
SIR Trustee 20 Limited	Ordinary	100%
SIR Trustee 21 Limited	Ordinary	100%
SIR Trustee 22 Limited	Ordinary	100%
Amalfi Jersey Limited (formerly Prestbury Jersey Limited)	Ordinary	100%

All subsidiaries are directly owned by the Company and their registered address is 26 New Street, St Helier, Jersey, JE2 3RX. Each is dormant and not material, and accordingly they have been excluded from consolidation.

In addition to the entities listed above, the Company owns 100% of the ordinary share capital of Prestbury General Partner Limited, whose registered address is 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX and which acts as the general partner for Prestbury General Partner Limited Partnership, which is registered at the same address. Both entities are in liquidation and the estimated amounts receivable from the liquidators are shown as other debtors (note 10).

AMALFI INVESTMENT PARTNERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

10. Debtors

	28 February 2022 £000	31 March 2021 £000
Accrued income	2,413	-
Prepayments	59	51
Other debtors	139	20
	<u>2,611</u>	<u>71</u>

11. Creditors: Amounts falling due within one year

	28 February 2022 £000	31 March 2021 £000
Trade creditors	-	149
Corporation tax	953	967
Accruals and deferred income	519	36
Other taxation and social security	7	494
	<u>1,479</u>	<u>1,646</u>

12. Financial instruments

	28 February 2022 £000	31 March 2021 £000
Financial assets		
Financial assets measured at fair value through profit or loss	4,497	3,914
Financial assets held at amortised cost	3,860	2,358
	<u>8,357</u>	<u>6,272</u>
Financial liabilities		
Financial liabilities held at amortised cost	519	185

Financial assets measured at fair value through profit or loss comprise listed investments (note 9).
Financial assets held at amortised cost comprise cash, accrued income and other debtors (note 10).

Financial liabilities held at amortised cost comprise trade creditors and accruals (note 11).

AMALFI INVESTMENT PARTNERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

13. Deferred tax

	11 months ended 28 February 2022 £000	17 months ended 31 March 2021 £000
At beginning of period	(243)	-
Tax charge (note 8)	(111)	(243)
At end of period	(354)	(243)

The deferred tax balance is made up as follows:

	28 February 2022 £000	31 March 2021 £000
Tax payable on unrealised gain in fixed asset investments	(354)	(243)

The deferred tax balances have been calculated at a tax rate of 19% (2021 - 19%). As described in note 18, the fixed asset investments were sold since the balance sheet date in July 2022, at which point the deferred tax liability was crystallised.

14. Other provision

	11 months ended 28 February 2022 £000
At beginning of period	-
Charged to profit or loss	83
At end of period	83

As disclosed in note 15, the Company was party to arrangements that could result in a liability being borne by the Company in the event of a realisation of the Company's listed investment. This liability was treated as a contingent liability in the prior year but since it crystallised in July 2022, as disclosed in note 18, the likelihood of it crystallising during the period was reassessed as being probable and it has been provided for at the balance sheet date.

AMALFI INVESTMENT PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2022

15. Share capital

	28 February 2022 £	31 March 2021 £
Allotted, called up and fully paid		
53 (2021 - 53) A ordinary shares of £1 each	53	53
14 (2021 - 14) B ordinary shares of £1 each	14	14
10 (2021 - 10) C ordinary shares of £1 each	10	10
8 (2021 - 8) E ordinary shares of £1 each	8	8
6 (2021 - 6) F ordinary shares of £1 each	6	6
91 (2021 - 91) G ordinary shares of £1 each	91	91
2 (2021 - 2) Z ordinary shares of £1 each	2	2
	<hr/>	<hr/>
	184	184
	<hr/>	<hr/>

Share capital represents the nominal value of shares issued.

The A, B, C, E and F ordinary shares have full voting and dividend rights. The G and Z ordinary shares do not have voting rights and are only entitled to distributions from the proceeds of any sale of the listed investments shown in note 9.

The Z shareholders are parties to an arrangement whereby they share in the Company's growth, calculated as a specific percentage of any increase in the value of the Company's listed investment, including any incentive fees earned. The Company is party to an agreement between the individuals and their employer, Prestbury Investment Holdings Limited ("PIHL"), such that the liability is settled either by the Company through equity or by PIHL as a bonus. PIHL had the right, but not the obligation, to charge the cost of any such bonus to the Company, which at the balance sheet date was treated as a provision of £0.1 million (2021 - contingent liability of £0.1 million).

16. Reserves

Share premium account

Share premium represents the surplus of the gross proceeds of share issues over the nominal value of the shares.

Capital redemption reserve

The capital redemption reserve represents the £18 nominal value of D ordinary and G ordinary shares repurchased by the Company in December 2020.

Profit and loss account

As at the balance sheet date, the Company had distributable reserves of £4.9 million (2021 - £3.3 million).

AMALFI INVESTMENT PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2022

17. Related party transactions

During the period and until 6 July 2022 when the agreement was terminated, the Company was investment adviser to Secure Income REIT Plc ("SIR"), a UK REIT listed on AIM. N M Leslau, P M Brown and S L Gumm were directors of the Company and directors of SIR during the period. They or entities connected with them (including the Company itself) had shareholdings in SIR amounting to 12.4% of SIR's issued share capital in aggregate, but could not individually or as a group control any decisions relating to SIR. Under the terms of the Company's appointment it provided or procured the provision of investment advisory, financial administration and other management services to SIR. The fee received for these services in the period was £11.7 million (2021 - £16.6 million), £2.4 million (2021 - none) of which was outstanding at the balance sheet date and is included in accrued income. The Company could also earn an incentive fee from SIR but no such fee (2021 - £2.6 million) was earned in the period.

The Company received dividends of £0.1 million (2021 - £0.2 million) from SIR during the period.

During the period and until 6 July 2022 when the agreement was terminated, the Company paid a fee to Prestbury Investment Holdings Limited ("PIHL") under the terms of a services agreement for the provision of financial administration, company secretarial, property management and other management services. N M Leslau and S L Gumm are directors of PIHL and it is ultimately controlled by N M Leslau. The amount payable in the period was £1.8 million (2021 - £2.4 million), £0.4 million (2021 - £0.1 million) of which was outstanding at the balance sheet date and is included in accruals (2021 - trade creditors). The fee receivable for the financial period commencing on 1 March 2022 is subject to adjustment for the costs of supporting transitional services as contractually required until 7 October 2022.

18. Post balance sheet events

Since the balance sheet date, the Company has paid interim dividends totalling £9.9 million.

On 6 July 2022, the Company was acquired by a third party. Both the investment advisory agreement (which represented the Company's major source of income) and the services agreement (which represented the majority of the Company's administrative expenses) were terminated and the existing directors resigned, being replaced by directors appointed by the new owners. The Company's investment in listed shares was sold at the same time, realising a gain over book value, net of tax, of £0.9 million. The Company and its service provider are contractually obliged to provide transitional services to the new owners until 7 October 2022, following which the Company will become dormant.

19. Controlling party

N M Leslau was the controlling party of the Company as at 28 February 2022 and until 6 July 2022, at which point the ultimate controlling party became Alvarium Investments Limited, which is registered in England. The consolidated financial statements of Alvarium Investments Limited are available to the public and may be obtained by writing to the Company Secretary, 10 Old Burlington Street, London, W1S 3AG.